

Message Text

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ACTION AF-18

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FM AMEMBASSY ACCRA

TO SECSTATE WASHDC 4135

INFO AMEMBASSY LONDON

USCINCEUR VAIHINGEN GER

DIA//AA-8//WASHDC

AMEMBASSY ABIDJAN

C O N F I D E N T I A L ACCRA 3701

ABIDJAN FOR AIRA

E.O. 11652: GDS

TAGS: MASS ETRN PFOR GH

SUBJ: HELICOPTER PURCHASE BY GHANA ARMED FORCES

REF: (A) LONDON 06837 (B) ACCRA 3570 (C) ACCRA 1839, 27 MAR 73 RPT 73.

SUMMARY. GOG HAS NOW GIVEN EMBASSY FORMAL REQUEST FOR FMS CREDIT TO BUY TWELVE CIVILIAN CONFIGURATION BELL HELICOPTERS. WE HAVE TOLD GOG THAT FMS IS NOT AN IMMEDIATE POSSIBILITY, NOTED THAT WITH IMMINENT DEBT SETTLEMENT ONE IMPEDIMENT TO EXIMBANK SUPPORT WILL BE REMOVED, AND POINTED OUT THAT STRAIGHT COMMERCIAL FINANCING WOULD BE FASTEST. MISSION WOULD FAVOR FMS ROUTE IF SPECIAL EXPEDITIOUS PROCEDURE WE HAVE HEARD ABOUT SECOND-HAND IS IN FACT FEASIBLE. END SUMMARY.

1. CHIEF OF DEFENCE STAFF, MAJ. GEN. ASHLEY-LASSEN, ASKED AMBASSADOR AND DATT TO CALL ON HIM LATE MONDAY AFTERNOON, 24 JUN. SUBJECT AT MEETING WAS PURCHASE OF BELL HELICOPTERS BY THE GHANA ARMED FORCES. AMBASSADOR AND DATT THEN MET
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WITH CDS, PLUS CHIEF OF STAFF, AND DIRECTOR GENERAL OPERATIONS,

MINISTRY OF DEFENCE. ASHLEY-LASSEN REFERRED TO PRESIDENT NIXON'S 24 APRIL MESSAGE TO CONGRESS ON THE NEED FOR INCREASED SECURITY ASSISTANCE FUNDING, REMARKING THAT HE FELT IT WAS AN OPPORTUNITY FOR GHANA TO BE INCLUDED. GHANA WANTS FMS CREDIT TO BUY 12 (TWELVE) EACH BELL HELICOPTERS, MODEL 205, NON-MILITARY CONFIGURATION, FOR USE ON GOVERNMENT PROJECTS. FORMAL REQUEST TO THIS EFFECT NOW RECEIVED BY EMBASSY AND IS BEING FORWARDED TO WASHINGTON.

2. IN COURSE OF LENGTHY DISCUSSION, AND SUBSEQUENT CONVERSATIONS WITH ASHLEY-LASSEN'S SUBORDINATES, THE FOLLOWING THREE APPROACHES TO THIS PROBLEM WERE DISCUSSED.

A. FMS CREDITS. ASHLEY-LASSEN FIRST AND STRONG PREFERENCE WAS FOR CREDITS FOR HELICOPTERS THROUGH US DOD. WE EXPLAINED, AS WE HAVE IN THE PAST, THAT FUNDING LIMITATIONS, PLUS ABSENCE OF GHANA IN PROGRAM FOR CREDITS, PRECLUDED THIS AS AN IMMEDIATE POSSIBILITY. ASHLEY-LASSEN RESPONDED BY REQUEST THAT USG BE INFORMED OF GHANA'S REQUEST, WITH A VIEW TO BEING PUT ON THE LIST FOR NEXT FISCAL YEAR. (AS NOTED BELOW, BELL HELICOPTER REPRESENTATIVES HAVE BEEN IN TOWN. THEY HAD WORD THAT TANZANIA OBTAINED FMS CREDITS, IN SPITE OF NOT BEING ON LIST, AND WE ASSUME THAT THIS INFORMATION IS AVAILABLE TO GOG.)

B. SECOND POSSIBILITY EXPLORED WAS EXIMBANK CREDITS AND GUARANTEES. WE NOTED HOLD-UP ON THIS METHOD DUE TO DEBT SETTLEMENT QUESTIONS. ASHLEY-LASSEN REPLIED THAT DURING THE COMING WEEKEND THIS MATTER WOULD BE CLEARED UP, AS IN FACT IS THE CASE (SEE REF B). WE ALSO HEARD RUMORS THAT EXIMBANK FUNDS ARE CURRENTLY LOW, BUT WE DID NOT OFFICIALLY INFORM GOG OF THIS SITUATION, IF IT EXISTS.

C. THIRD POSSIBILITY WAS STRAIGHT COMMERCIAL ARRANGEMENT WITH BELL HELICOPTER COMPANY. WE POINTED OUT ADVANTAGES OF SPEED. THEY, OF COURSE, POINTED OUT DISADVANTAGES OF COST. NEVERTHELESS, WE URGED THAT THIS METHOD BE EXPLORED, ESPECIALLY SINCE WE HAD HEARD COMPANY REPRESENTATIVES DUE IN ACCRA IN FEW DAYS.

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3. RONALD E.E. TAYLOR AND FREDERICK W. WILCOX, BELL INTERNATIONAL REPRESENTATIVES MET WITH MAJ. GEN. ASHLEY-LASSEN AND BRIGADIER C. BEAUSOLEIL, AIR FORCE COMMANDER, IN ACCRA DURING 2-4 JUL. BOTH REPORTED THAT ASHLEY-LASSEN AND BEAUSOLEIL DESIRE THE HELICOPTERS PLUS INITIL SPARE PARTS FROM BELL AT AN APPROXIMATE COST OF \$600,000 PER HELICOPTER, PROVIDED SUITABLE FMS CREDITS CAN BE ESTABLISHED IMMEDIATELY.

4. COMMENTS. A. GOG HAS MADE A SIMILAR REQUEST A YEAR AGO (SEE REF C). IF, AS WE HAVE RECENTLY HEARD SECOND-HAND, IT POSSIBLE TO EXTEND RELATIVELY SMALL AMOUNT OF FMS CREDITS WITHOUT LENGTHY PROCESS OF WORKING IN TO BUDGET PRESENTATION, MISSION WOULD FAVOR THIS COURSE OF ACTION. OUR FIRST RECOMMENATION, THEREFORE, IS FMS CREDITS.

B. SECOND ALTERNATIVE, OF EXIMBANK SUPPORT, MAY PROVE MORE FEASIBLE METHOD, ESPECIALLY SINCE GOG MOST LIKELY GO TO OTHER FIRMS OF OTHER COUNTRIES (INCLUDING AUGUSTA BELL, THE ITALIAN LICENSEE OF BELL) IF PROCESS IS DELAYED TOO LONG. SINCE DEBT SETTLEMENT SEEMS ASSURED, AND SINCE COMPETITION WITH FOREIGN FIRMS IS DIRECTLY INVOLVED, THIS WOULD APPEAR TO BE A PRACTICAL POSSIBILITY.

C. FINALLY, WE CAME DOWN HEAVILY ON DIRECT COMMERCIAL ARRANGEMENTS WITH BELL. AT SAME TIME WE SHOULD RECOGNIZE THAT THIS CONSIDERED EXTREMELY EXPENSIVE BY GOG, AND WITH EUROPEAN CREDITORS NOW EAGER TO DO BUSINESS WITH GHANA, THIS APPROACH UNLIKELY TO BE ACCEPTED.

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